STARVEST plc

ANNUAL REPORT & FINANCIAL STATEMENTS

for the year ended 30 September 2010

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COMPANY INFORMATION

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Listing	Alternative Investment Market of the London Stock Exchange (AIM) Ticker: SVE Traded on PLUS
Website	Register for email alerts at www.starvest.co.uk – updated regularly to provide information as it is released to the market.

CHAIRMAN'S STATEMENT

I am pleased to present my ninth annual statement to Shareholders for the year ended 30 September 2010.

Results for the year

Since September 2009 when I reported a modest recovery, the Company's fortunes have been severely challenged by continuing adverse conditions in our chosen market for early stage mineral exploration stocks. In short, 2009-2010 has been another tough year!

Whereas in the year to September 2009, the Company declared a profit before tax of £44,692, this year shows a loss of £48,362. This loss is due entirely to the need for prudence in assessing the book values of many of our smaller investee companies resulting in a net write down for the year of £257,953.

In spite of the real challenges, there have been successes during the year including:

- a significant reduction in bank borrowings;
- investment sales of £640,044 used to fund operating expenses and to reduce the bank overdraft;
- a gross profit from investment sales of £402,331, representing 169% of cost; and
- the exercise of options by directors leading to the injection of new cash amounting to £92,000.

Trading portfolio valuation

The past year has been extremely challenging. From September 2009 we saw the portfolio value steadily decline to a low point of £2.37 million at the end of July 2010. However, in the final two months of this financial year, we enjoyed a strong 75% recovery amounting to £2.20 million so as to end the year with a portfolio value of £4.57 million.

The final valuation net of all liabilities at £4.19 million shows a modest improvement compared with £4.02 million at 30 September 2009.

Following the challenges of 2008 and 2009, we continue to value our portfolio investments conservatively at the lower of cost or bid price or lower directors' valuation where we believe those facts of which we are aware cast doubt on the market prices or where the Company's interest is of such a size as to inhibit selling into a depressed market. This cautious approach has proved to be appropriate in these difficult times.

A detailed review of the portfolio companies follows on page 6. Whilst the portfolio contains investments in a number of companies that have made real progress during the year, there are many, particularly smaller companies, that have struggled for one or more of several reasons, such as an inability to raise new capital to finance continued exploration, not having the good fortune to target a mineral currently in demand, finding minerals but not in commercially viable quantities and/or market preference for short term cash generating opportunities which most of ours are not. It is worth reminding ourselves that much of our portfolio does not enjoy institutional support but is reliant on the private investor.

Our commentary focuses on the 'winners' but does not exclude others, some of which may well rebound; we remain resolved to allow our investments time to mature.

Where we are able to do so, we will continue to take profits so as to generate cash to cover overheads and reduce reliance on bank finance.

Company statistics

	30 September 2010 at BID values as adjusted	30 September 2009 at BID values as adjusted	**Change %**
• Trading portfolio value	**£4.57m**	£4.72m	**(3.2%)**
• Company asset value net of debt	**£4.19m**	£4.02m	**4.2%**
• Net asset value – fully diluted per share	**11.28p**	10.72p	**5.2%**
• Closing share price	**7.75p**	11.75p	**(34%)**
• Share price (discount)/premium to net asset value	**(31.3%)**	9%	
• Market capitalisation	**£2.84m**	£4.10m	**(31%)**

We continue to make what we believe to be a realistic and conservative estimate of the values of companies within the portfolio. The values at 30 September 2009 and 2010 are based on bid prices or the Directors' valuation, if lower. With one exception, discounts below bid price are applied where the Company holds a substantial interest in the investee company or where the investee company constitutes a large part of the Company portfolio; these discounts total £450,000; the single exception is that no discount is applied to the value of one investee company where the shares are actively traded and the Company's interest is under 2%.

These values include unrealised gains on elements of the trading portfolio that are not reflected in the financial statements.

So far, the recovery has continued into the new financial year so that the net asset value as at 22 October 2010 stood at £5.37m or 14.37 pence per share fully diluted representing a 28% increase. In addition, since 30 September £438,000 has been raised from the sale of investments so that when settlement is completed the bank overdraft will be cleared.

Review of the current market

The flat performance since September 2009 masks the fact that within the portfolio we have investments which have increased substantially and show every sign of being real winners; in these we anticipate further improvement during the coming year. These include companies with interests in gold, iron ore, coal and manganese as well as other minerals much in demand. On the other hand, the portfolio contains thirteen mineral exploration and other investments which have performed poorly, two of which have been written down to zero this year.

The state of the world economy and markets for natural resources will continue to overshadow us, but we continue to believe that the prospects in the medium to long term are encouraging. As always, we will continue to contain our overheads to the minimum, seek to use our limited cash resources to best advantage and otherwise be patient as we await a full recovery.

Dividends

Owing to the overall loss and depletion of cash resources it is not the Directors' intention to recommend the payment of a dividend this year. For the future, your Board will keep the matter under review.

Investment policy

As required by AIM, your Company has established and recently revised its investment policy reproduced on page 5 of this report and made available on its website, www.starvest.co.uk. In the past investments were predominantly in early stage ventures; now where funds are available your Company will be looking either to support existing investee companies or take positions in selected later stage ventures where mineral resources have been confirmed and where shorter term returns are expected.

Shareholder information

The Company's shares are traded on AIM and PLUS.

Announcements made to the London Stock Exchange are sent to those who register at the Company website, www.starvest.co.uk where historic reports and announcements are also available.

Annual general meeting

We will hold our annual general meeting at 3.00 pm on Monday 13 December 2010 at St Ethelburga's, Bishopsgate, London EC2 when we look forward to meeting those Shareholders able to attend.

R Bruce Rowan
Chairman & Chief Executive

27 October 2010

INVESTING POLICY STATEMENT

About us

The Board has managed the Company as an investment company since January 2002.

Collectively, the Board has a wealth of experience over many years of investing in small company new issues and pre-IPO opportunities in the natural resources and mineral exploration sectors.

Company objective

The Company is established as a source of early stage finance to fledgling businesses, to maximise the capital value of the Company and to generate benefits for Shareholders in the form of capital growth and modest dividends.

Investing strategy

Whilst the Company has no exclusive commitment to the natural resources sector, the Board sees this as having considerable growth potential for the foreseeable future. Historically, investments were generally made immediately prior to an initial public offering, at IPO on the AIM or PLUS markets and in the aftermarket. As the nature of the market has changed since 2008, it is more likely that the future investment portfolio will include a spread of up to forty companies that generally have moved beyond the IPO stage but remain in the early stages of identifying a commercial resource and/or moving towards development with the appropriate finance.

Initial investments are for varying amounts but usually in the range £100,000 - £300,000. These companies are invariably not generating cash, rather they have a constant requirement to raise new equity cash in order to continue exploration and development. Therefore after appropriate due diligence, the Company may provide further funding support and make later market purchases so that the total investment may be greater than £300,000.

The business is inherently high risk and of a cyclical nature dependent upon fluctuations in world economic activity which impacts on the demand for minerals.

The investee companies, being small, almost invariably lack share market liquidity, even if they are quoted on AIM, PLUS, ASX, TSX or TSX-V. Therefore, in the early years it is rarely possible to sell an investment at approaching the quoted market price with the result that extreme patience is required whilst the investee company develops and ultimately attracts market interest. If and when an explorer finds a large exploitable resource, it may become the object of a third party bid, or otherwise become a much larger entity; either way an opportunity to realise cash is expected to follow.

Of the thirty to forty investments held at any one time, it is expected that more than five will prove to be ‘winners’; from half of the remainder we may expect to see modest share price improvements. Overall, the expectation is that in time Shareholder returns will be acceptable if not substantial.

Accordingly, the Board is unable to give any estimate of the quantum or timing of returns. That stated, when profits have been realised and adequate cash is available, it is the intention of the Board to recommend the distribution of up to half the profits realised.

The Company currently has investments in the following companies which themselves are investment companies: Equity Resources plc, Guild Acquisitions plc; Addworth plc and International Mining & Infrastructure Corporation plc.

The Company takes no part in the active management of investee companies, although directors of the Company are also non-executive directors on the boards of seven such companies, with one director being the executive chairman of an eighth.

REVIEW OF TRADING PORTFOLIO

AS AT 30 SEPTEMBER 2009, THE PORTFOLIO COMPRISED INTERESTS IN THE FOLLOWING COMPANIES:

Introduction

As at 30 September 2010, the portfolio comprised interests in the companies commented on below.

The tough trading and fundraising conditions of the past two years have taken a toll on some of the businesses in which Starvest is invested to such an extent that as at 30 September 2010:

- eight portfolio companies accounted for 75% of the portfolio value; all of these companies are mineral exploration ventures on which we comment first; in every case, the year end valuation exceeds original cost;
- of the next eight investments one deteriorated during the year but has recovered since the year end; otherwise they have held their own, showing small share price improvements which are expected to continue into the current year as the businesses progress; collectively these account for a further 21% of the portfolio value;
- the remainder amounting to 4% only include both mineral exploration ventures as well as other businesses which are all valued below cost; we hope that some in this final grouping will recover and may well yet surprise us.

Disposals

In order to reduce the bank overdraft and provide funds for overheads, during the year the Company raised £640,044 before costs by selling the following interests:

- a small equity holding in Beowulf Mining plc, but retained a convertible loan note which was subsequently converted to equity;
- a part of the holding in Ariana Resources plc; and
- approximately two thirds of the holding in Franconia Minerals Corporation yielding a substantial return on the initial investment.

MINERAL EXPLORATION VENTURES ACCOUNTING FOR 75% OF PORTFOLIO VALUE

ARIANA RESOURCES plc
Inspired to Discover

Ariana Resources plc

– AIM ticker: AAU

www.arianaresources.co.uk

Ariana Resources is an exploration and development company focused on epithermal gold-silver and porphyry copper-gold deposits in Turkey where it is exploring a portfolio of prospective licences in western Turkey selected on the basis of its in-house geological and remote-sensing database and in its Greater Pontides joint venture with European Goldfields.

Ariana's flagship assets are its Sindirgi and Tavsan gold projects in the WAVE Province in western Turkey, and which form the Red Rabbit Project in a 50/50 joint venture with Turkish partner Proccea Construction signed in July. This agreement has significantly de-risked the development project by committing Proccea to funding it for a total of US$8 million. A further US$25 million funding requirement for the later outstanding construction and mine commissioning costs will be met by a credit facility. Work is under way on the Bankable Feasibility and Environmental Impact studies with completion expected by the third quarter 2011.

Meanwhile the Greater Pontides JV has delivered significant exploration results from what is seen as a highly prospective region taking Ariana's total resource inventory to 401,000 oz. of gold equivalent with further increases expected.

With an established mining industry and 2.5% of the world's industrial mineral resources, Turkey is seen as a politically stable country with a favourable tax regime so that with the gold price attaining new highs, Ariana's potential is increasingly attractive.

Belmore Resources

Belmore Resources (Holdings) plc

– PLUS ticker: BEL

www.belmoreresources.com

Belmore Resources is a mineral exploration company focusing solely on projects in the Republic of Ireland, priority being given to its zinc exploration properties in County Clare, where it has a current 100% interest in ten prospecting licences covering 360 sq km. Under a joint venture agreement Lundin Mining as operator of the drilling programme has the right to earn a 70% interest in these licences by expending 14.7 million Euros over the coming years. Lundin has accelerated an active programme with four drilling rigs currently in operation, three working on the main Kilbricken Prospect and intersecting thick high-grade zinc-lead-silver sulphide mineralisation. The company is optimistic that the project will define an economic deposit with Lundin proposing to accelerate aggressively the exploration programme by adding two further drilling rigs.

Beowulf Mining PLC

Beowulf Mining plc

– AIM ticker: BEM

www.beowulfmining.com

Beowulf Mining's focus is on the exploration and development of mineral deposits in Northern Sweden, where it has separate projects covering iron ore, gold, copper, uranium and molybdenum. Its shares are quoted on both AIM and Stockholm's AktieTorget market.

Beowulf's focus has been on its 100%-owned adjacent projects of Ruoutevare and Kallak where its drilling programme has been accelerated so as to define the quantity and quality of iron ore already established and to allow a JORC compliant resource to be obtained. A further sale and royalty agreement was concluded in July with Canadian Tasman Metals in respect of its three iron ore claims adjoining Kallak. Beowulf is targeting total iron ore JORC resources in excess of 500 million tonnes by early 2011. By April 2010 it had obtained a Letter of Intent from the Chinese resource importer Hua Dong Corporation for shipment of eventual production.

Meanwhile under the company's Ballek Project joint venture agreement, Australian Energy Ventures ("EVE") has obtained a 50% earn-in interest through sole-funding and completing 1,600 metres of diamond drilling. Ballek has a JORC inferred resource of 47,000 tonnes of copper and 52,000 ounces of gold.

Beowulf raised £1,000,000 in March 2010 and a further £400,000 in October 2010 to finance the acceleration of its drilling programme on Kallak and to meet its increasing working capital needs. First complete assay results for an initial 15 hole diamond drilling programme recently completed for the Kallak North iron ore deposit have confirmed extended iron mineralisation with several 100 metre sections having over 30% Fe. As a result 3,500 metres of further diamond drilling are planned over 35 holes at Kallak South with first assay results expected by the end of 2010 to be followed by a JORC classification.

Meanwhile, Beowulf is actively seeking complementary assets to add to its quality portfolio.

Franconiaminerals CORPORATION

Franconia Minerals Corporation

– Toronto TSX-V: FRA

www.franconiaminerals.com

Franconia Minerals, an Alberta-formed corporation, is focused on the discovery and development of the Birch Lake copper-nickel-platinum-palladium project in the highly prospective Duluth complex in north-east Minnesota, positioned to be one of the world's largest PGM resources and to be developed as an underground mining operation.

The project consists of three deposits (Birch Lake, Maturi, and Spruce Road), with latest estimates giving an indicated resource of 131 million tonnes plus an inferred 37 million tonnes for Birch Lake, 120 million tonnes at Maturi and 124 million tonnes at Spruce Road. The project has more recently attracted an increasing amount of investor interest, enabling Starvest to reduce its holding significantly at a good profit.

GREATLANDGOLD

Greatland Gold plc

- AIM ticker: GGP

www.greatlandgold.com

Greatland Gold has three gold projects in Tasmania, consisting of the Firetower project in the North with an initial inferred JORC-compliant resource of 90,000 oz. of gold; Warrentinna and Forester, first mined early last century and which has yielded a substantial amount of high grade gold at surface; and the East Lisle project where the Company will seek to determine the bedrock source of the 250,000 oz of gold reputedly produced in the past from alluvial workings in the area.

In addition, Greatland has two gold projects in Western Australia, the 200 sq km Lackman Rock site, and the Ernest Giles project from which the first results have been received of the maiden drilling program, which encountered large alteration systems which could host major mineralisation.

The company owns 100% of all projects in its portfolio. Its main focus has been on Firetower, and deciding whether to mine an existing resource or whether to enlarge the resource before building a mine. Greatland's aim to become a stand-alone producer remains on course but will require the raising of significant extra capital to bring Firetower into production.

Oracle Coalfields PLC

Oracle Coalfields plc

– PLUS ticker: ORCP

www.oraclecoalfields.com

Oracle Coalfields is an emerging coal developer in Pakistan with an 80% interest in a JORC compliant measured resource of 1.4 billion tonnes of which 371 million tonnes is proved located in Block V1 of the Thar Desert project in the Sindh province. Its planned mine-site lies some 380 km east of Karachi, well above sea-level and recent severe flooding in Sindh and further distant from the insecurity of the north western frontier region. Oracle benefits from past and ongoing major infrastructure investment undertaken by the Pakistan Government which has been eager to open up the Thar Desert region with an estimated lignite coal resource of 175 billion tonnes as a cornerstone of the economic and social development of the nation's economy.

Work on a bankable feasibility study is due for completion by early 2011. Furthermore, the mine development project will be linked to the construction of a mine-mouth 300MWe power plant. Initial mine production is planned for late 2011, and while the mine design will allow for an annual production of 3.5 million tonnes, this will only be achieved in 2014, by when the completed power plant will call for 2.5 million tonnes, with 1.0 million tonnes intended for the local cement industry, presently dependent on imported coal. Oracle has contracted with the Karachi Electricity Company (KESC) as the planned power plant developer and operator, and with Lucky Cement, as the country's principal cement manufacturer and exporter, as the off-takers of such production.

Pakistan suffers from critical shortages of electricity resulting in a proliferation of disruptive power cuts which stunt the growth of the vibrant economy. With such a major indigenous yet unexploited coal resource to hand, the Pakistan Government sees Oracle as opening the door to establishing the Thar Desert as a major development magnet for new foreign investment and as a key trigger point and source of pride for the future development of the country's economy and its re-edification.

Oracle is currently assessing the benefits of a near-term admission to the AIM market.

REDROCK RESOURCES

Red Rock Resources plc

– AIM ticker: RRR

www.rrrplc.com

Since Red Rock Resources came to AIM in 2005, it has been transformed from a small early stage Australian mineral exploration venture to become a £40m market capitalisation powerhouse with a variety of interests:

- gold mining in Columbia's Frontino gold belt in partnership with Mineras Four Points SA to which it provides much needed expertise and finance with options to acquire a controlling interest and expecting to generate near term cash flow from a producing mine now being upgraded; a recent sample indicated gold at 45.3 grams per tonne, broadly consistent with historic experience;
- gold exploration in the Migori greenstone belt, Kenya, in partnership with Kansai Mining Corporation at its Mid Migori Mining 1.2m oz indicated resource expected to build a 2-3m oz resource base to be followed by extraction;
- a 26.9% interest in Resource Star Limited, ASX quoted, www.resourcestar.com.au to which it disposed of its Australian and Malawian uranium and rare earth interests; re-listed by Red Rock in 2010;
- a hugely successful iron ore and manganese joint venture alongside Pallinghurst Resources, www.pallinghurst.com, which is building a major steel feed venture through Jupiter Mines Limited, ASX quoted, www.jupitermines.com into which Red Rock

disposed of its Australian iron ore and manganese interests; Red Rock holds 83m shares in Jupiter Mines which expects to have established a 400 mt JORC resource at its Mt Ida magnetite deposit which it expects to bring into production as early as 2014; Red Rock enjoys the benefit of a 1.5% gross production royalty;

- an equity interest in uranium explorer Cue Resources Limited, www.cue-resources.com;
- an equity interest in Kansai Mining Corporation Limited, www.kansaimining.com where a cash takeover has been announced which, if completed, will net a profit of C$10m.

Red Rock declared a pre-tax profit of £3.2m for the six months to 31 December 2009 and has indicated that a maiden dividend may not be far away. As the market understands the potential, we expect further share price increases in the coming year.

Regency Mines plc

– AIM ticker: RGM

www.regency-mines.com

Regency Mines has mineral exploration interests in Australia and Papua New Guinea where the principal metal target is nickel. The expected joint venture with Direct Nickel Limited for the use of their patented technology to extract nickel at the Mambare Plateau in PNG announced in 2009 has stalled although we understand that it is not abandoned.

Aside from nickel in PNG, Regency has the potential for copper, gold and other minerals in Queensland and Western Australia; with respect to the latter, Regency recently announced having discovered significant sulphide levels within the Lake Johnston greenstone belt with potential for base and precious metals at depth with further exploration planned.

However, the star of its portfolio must be its continuing 24% interest in sister company Red Rock Resources plc to which management has been devoting considerable attention.

MINERAL EXPLORATION VENTURES ACCOUNTING FOR 21% OF PORTFOLIO VALUE

Agricola Resources plc

– PLUS ticker: AGRI

www.agricolaresources.com

Agricola Resources is focused on gold exploration in Morocco, where it holds two prospective licences at Ain-Kerma and Toufrite in the south of the country. The Ain-Kerma project potentially hosts both low-grade bulk tonnage and high-grade strata-bound gold deposits with many gold-bearing quartz veins identified.

Agricola's switch last year from longer-term uranium exploration interests to the shorter-term ever-improving prospects for a successful gold-based venture, coupled with the growing international investment interest in Morocco as offering a secure financial environment, appears to have been well-timed. Additional licence applications for further high value mineral deposits are under consideration and evaluation, with a view to enhancing investor interest in the fund-raising exercise for implementing its envisaged Moroccan exploration activities. Australian Energy Ventures Limited continues to hold a 29.9% strategic equity stake.

Equity Resources plc

– PLUS ticker: EQRP

Although a relatively small investment showing a loss since acquisition, Equity Resources is included here because of its recent growth and potential. Following the total loss of its initial two investments and after being re-named, Equity Resources was fortunate to have available cash to invest at the bottom of the market in Red Rock Resources plc and Regency Mines plc, see above. The company's recently announced 2010 results show that this change of strategy was well timed in that it declared a profit for the last year as well as a substantial increase in the net asset value per share to which the share price quote has responded.

Gippsland Limited

- Sydney ASX ticker: GIP

www.gippslandltd.com.au

Western Australia-based Gippsland is now solely listed on the ASX after having withdrawn from AIM, a decision taken primarily on cost grounds, but which makes the company more dependent on raising its substantial capital requirements primarily in the Australian market.

Gippsland is a Perth-based international resource company focused on world-scale projects that have been overlooked by the major producers, but have undergone detailed exploration work, so can offer the potential of early production. Its prime assets are tantalum-tin projects in the Central Eastern desert of Egypt adjacent to the Red Sea, notably the 44.5 million tonne Abu Dabbab and the 98 million tonne Nuweibi tantalum-tin projects, in which Gippsland's 50% interest is matched by an Egyptian State partner. The Abu Dabbab project, with an annual mill-feed rate of 2 million tonnes for a production level in excess of 650,000 lbs of tantalum pentoxide, will have a likely 20 year mine-life, and its resource base will rank Gippsland as the world's largest producer of tantalum.

However, capital–raising has proven problematic for companies at all levels and with their greater needs, Gippsland is proving to be no exception. Its negotiations on the forecast project financing need of US$173 million have taken longer than planned to complete, and are sought on an 80% debt / 20% equity basis; a 10 year off-take has already been agreed with the German HC Starck group. After unexpected delays in the negotiations, the commencement of engineering and construction work has been deferred from 2010 to early 2013. A recent placement of 80 million new shares with institutions has succeeded in raising A$3.2 million and enabled Gippsland shares to be re-admitted to trading after a halt for clarification on financing developments.

Additionally Gippsland has undertaken exploration drilling within the Wadi Allaqi region where it has obtained highly encouraging gold results in three of its eight separate tenements, together with a copper-nickel deposit. Its Nubian Resources subsidiary has picked up three prospecting licences in the state of Eritrea for base metals and gold.

International Mining & Infrastructure Corporation plc

- AIM ticker: IMIC

www.indiastarenergy.co.uk - this site remains current

International Mining & Infrastructure Corporation, formerly India Star Energy, is focused on the energy sector. It has three principal investments:

- New Fuels International Ltd, a Seychelles-based specialised development company involved in the creation of renewable bio-fuels and bio-energy products;
- Trillium North Minerals, a Toronto TVX quoted company holding interests in mining resource properties in Ontario; and
- East West Resource Corporation an exploration company focused on copper, nickel and platinum group metals also in Canada.

Kefi Minerals plc

- AIM ticker: KEFI

www.kefi-minerals.com

Kefi Minerals, a spin-off from now 24% holder EMED plc, is an established gold and copper exploration company operating in various parts of Turkey in joint venture with TSX-listed Centerra Gold, and in Saudi Arabia where it is operator with a 40% interest in the G&M joint venture with local conglomerate ARTAR; it enjoys first-mover advantage in the field of Saudi exploration in seeking to identify and develop million ounce plus gold deposits.

Kefi's projects in Turkey are Artvin and Gumushane in the northeast, Derinin Tepe and Muratdag in the west, and Bakir Tepe in the south west, all of which are 100% owned other than Artvin. Kefi also owns an extensive exploration data base, giving it a competitive advantage in identifying further prospective areas for project generation. The Artvin Project comprises fifteen contiguous exploration licences covering 253 sq. km. A gold discovery at its Yanikli Prospect has been announced.

Kefi also has a large database of Saudi Arabian mineral occurrences and historic workings, maps and surveys, so enabling it to identify, assess and target further potential major mineral deposits for further permitting. Delays in obtaining licences in Saudi Arabia can be lengthy, but Kefi and ARTAR have lodged applications for 21 exploration licences covering 2,100 sq km., seven of which are now at an advanced stage of permitting. The applications are focused on both gold and copper-gold mineralisation, all of which contain ancient workings, some have visible gold in quartz veins, and two lie only 50 km from presently operating gold mines.

Minera IRL Limited

formerly Hidefield Gold plc

- AIM ticker: MIRL

www.minera-irl.com

Starvest's holding in Hidefield Gold was taken over in December 2009 by Minera as part of a £7 million all share deal. This brought into Minera the Don Nicolas project and a large exploration portfolio with a number of increasingly promising prospects in the Santa Cruz State in Patagonia, Argentina. Don Nicolas is planned to start production in 2012. Minera was already a well-established Latin American gold miner listed on AIM, Peru, and Toronto, with gold production primarily in Peru at its flagship Corihuarmi mine, with an expected life to late 2013, to be followed by new production starting at Ollachea by 2014. After the Hidefield acquisition, Minera also bought the prospective Quilavira project in Peru from ASX-listed Newcrest Mining.

With annualised gold production targeted at some 200,000 ounces of high margin gold within four years, Minera appears well set for steady growth.

Sheba Exploration (UK) plc

– PLUS ticker: SHE

www.shebagold.com

Sheba is a mineral exploration company exploring for gold and copper on licence concession areas covering a total of 242 sq km in northern Ethiopia. Three gold projects have been established, one of which at Shehagne is currently operated and funded by Stratex International under a joint venture arrangement whereby Stratex earn a 60% interest in the project for a £350,000 total exploration spend, with the option of a further 20% if Stratex fund all exploration and development up to the completion of the bankable feasibility report. Stratex findings at Shehagne to date suggest a potential for bulk minable mineralisation which has led them to consider reconnaissance drill-testing of the zone. Sheba also has a 30/70 joint venture arrangement with Stratex for combining their forces to explore new prospective targets and licence areas in northern Ethiopia.

Sheba's inability to raise funds from the torpid equity market has determined it to secure future funding of its activities through joint venture and option agreements with local and foreign companies as appropriate. Meanwhile, the Ethiopian mineral, gas and oil sector has been attracting strong foreign interest, with new licences being granted to Chinese State-owned entities and to various other smaller exploration companies, so Sheba appears well placed to benefit.

Sunrise Resources plc

formerly Sunrise Diamonds plc

– AIM ticker: SRES

www.sunriseresourcesplc.com

Sunrise Resources has changed both its name and its objectives from being focused on diamond projects in Finland to a multi-commodity exploration company with varied projects now spreading to Canada, Ireland and Australia, the latest venture being the Long Lake Gold project in Sudbury, Canada. Sunrise's other projects include the historic Derryginach barite mine in Ireland, its original diamond assets in Finland, and an application for an exploration licence to cover diamonds, gold and PGMs in Western Australia.

Owing to weak consumer and investor demand coupled with low diamond prices, Sunrise had to put its Finnish operations on a care and maintenance basis, but can expect early restoration of activities with a potential world supply shortage of diamonds envisaged.

THE REMAINDER ACCOUNTING FOR 4% OF THE PORTFOLIO VALUE

Alba Mineral Resources plc

- AIM ticker: ALBA

www.albamineralresources.com

Alba Mineral Resources is focused on uranium properties in Mauritania, nickel-copper in Scotland and gold and base metals in Ireland. The projects are in different stages of development ranging from early exploration targets to more advanced drill-ready projects.

In May 2010, additional loan finance was secured to enable the drilling of a 178m deep test hole on the company's Limerick base metal licence; the core was logged and assay results are pending. Preliminary interpretation of the core suggested base metal mineralisation potential. The company is engaged in negotiations with a third party seeking a joint venture on the Limerick property. Further exploration work this year is likely to be restricted by ongoing fund-raising difficulties, and while joint venture agreements are actively sought, an inability to fulfil work obligations under existing licences would risk their forfeiture.

Brazilian Diamonds Limited

– Toronto TSX ticker: BZD

www.braziliandiamonds.com

Brazilian Diamonds is a development stage resource company engaged in the acquisition, exploration and development of kimberlite and alluvial diamond properties in Brazil. Its recent activities have been restricted by a need to reduce its indebtedness, and in May 2010 it agreed to sell its wholly-owned subsidiary Mineracao do Sul for an equivalent US$640,000 including the disposal of its Canastra project assets. Junior diamond explorers in Brazil have been experiencing hard times, but the Company believes it is now in a stronger position to evaluate other more exciting alternative opportunities in Brazil.

CAP Energy Limited

- PLUS ticker: CAPP - suspended

www.capenergy.co.uk

CAP Energy seeks to invest in smaller oil and gas exploration and production company assets, particularly focused on North America. The company currently has five producing properties in Oklahoma and Texas, but has failed to raise an injection of new capital and in May requested trading in its shares to be suspended. An announcement of the Company's future intentions is awaited.

Carpathian Resources Ltd

– Sydney ASX ticker: CPN

www.carpathian.com.au

Carpathian Resources is an Australian oil and gas explorer and producer focusing on projects in Central Europe, especially the Czech Republic and Slovakia. The company has three significant projects in the Czech Republic: the Janovice gas field in Northern Moravia along with the 50%-owned (75% before pay-out) Krasna oil field, the Morava project in the northern part of the Vienna Basin, where there are well-established prolific oil and gas producers in operation, and the Roznov project area with four permits, where numerous producing oil and gas fields exist.

The company has declared that it will be able to fully fund planned exploration and development programmes.

Concorde Oil & Gas plc

- PLUS quotation suspended

Concorde's focus is on exploring and developing oil and gas properties and projects in the Komi Republic of Russia. Its acquisition of Pechora Energy, and ongoing exploration and production funding for the Luzhkoye oilfield and the Chikshinskoe exploration licence has been largely met through substantial equity and loan injections by both Altima Partners and Kuwait Energy, with Kuwait Energy subsequently absorbing the former's interest. Concorde's share listing was suspended in May 2006. Its activities form a minor part of Kuwait Energy's overall operations which are primarily concerned with Middle Eastern oil exploration and production.

It is believed that Kuwait Energy have early intentions of seeking a listing for their shares, as a result of which the remaining minority shareholders of Concorde may be offered new Kuwait Energy shares in exchange for their holdings, but inevitably with further dilution of their interest. Confirmation as to how Concorde shareholders may finally extract value from their holdings is therefore awaited.

Fundy Minerals Limited

- PLUS quote withdrawn

www.fundyminerals.com

Fundy Minerals is concentrating on its diversified mineral properties in Canada, and especially the exploitation of its high-grade limestone deposit in New Brunswick, having decided to curtail its diamond exploration venture in Liberia following enactment of unattractive fiscal conditions.

Obtaining adequate financing for its West African diversification at the same time as for the development of its Canadian interests, had proved beyond Fundy's capability, and its previous expectations of being able to raise new funds through its Plus Market listing led to it to withdraw after several unsuccessful attempts. Alternative arrangements for the marketing of its shares are to be sought with JP Jenkins. Meanwhile the Directors continue to seek an appropriate capital partner but have warned shareholders of present minimal cash balances.

LISUNGWE plc

Lisungwe plc

–PLUS ticker: LIS

www.lisungwe.com

Lisungwe focuses on mineral exploration in Malawi, a southern Africa country, where it has a JORC compliant nickel resource, nickel extraction techniques through leaching, but having undertaken an initial scoping study for a mine, then ran out of finance.

It had sought to acquire a local source of pyrite for the purpose of manufacturing sulphuric acid, but the inability to raise the required funds in a tough market continued. Strenuous fundraising efforts made over the past two years have failed despite its forecast profitability assured by the prevailing shortage of sulphuric acid in the region. Lisungwe's survival remains uncertain, although efforts are being made to find a suitable project and the funding with which to support it.

LOTUS RESOURCES

Lotus Resources plc

- PLUS ticker: LOTP

www.lotus-resources.com

Lotus Resources was set up as a UK holding company to seek, identify and acquire mining and exploration assets in or close to production in Mongolia, with particular focus on building an integrated fluorspar business from the exploration stage through to mining, processing and ultimate trading. Fluorspar is used as flux in steel-making, with Russia and Ukraine seen as likely main markets, and as acid in the chemicals industry with eventual world-wide clientele potential. Lotus saw Mongolia as offering exciting possibilities for building a profitable business in a sector ready for consolidation with many small operators who lack access to finance, but the company itself met severe difficulties in raising funding for its own requirements on acceptable terms.

This led the directors to examine merger possibilities and a possible AIM listing for a new company to be formed, but this proved unattractive to investors and was shelved, with three directors resigning. The new board of directors opted for a strategic review and negotiation with the creditors and loan note holders for the elimination of most of the outstanding debt by conversion into equity in a new company to be formed, Mongolian Mineral Resources ("MMR").

The awaited re-vitalisation of the operational strategy applicable to the remaining Lotus Resources shareholders has yet to be announced.

COMPANIES WITH OTHER INTERESTS

GUILD ACQUISITIONS PLC

Guild Acquisitions plc

– PLUS ticker: GACQ

Guild Acquisitions is a fledgling investment trading company established to grow early-stage small to medium-sized companies by injecting seed capital, management support, and access to further funds from capital markets for their development. However, a shortage of available funds and the ongoing financial uncertainties of the recent market have restricted opportunities for seed capital investments over recent years.

Its investments include a 7.33% interest in Equity Resources plc, see above.

MARECHALE CAPITAL

Marechale Capital plc

formerly St Helen's Capital plc

- AIM ticker: MAC

www.marechalecapital.com

Marechale Capital is an investment banking business raising capital for both quoted and unquoted high growth companies and funds. Last year the original company was acquired by and then merged with the remainder of St Helen's Capital following the disposal of the latter's operating business and associated assets, with the name being retained for the resultant enlarged group.

In addition to the above, Starvest has interests in the following quoted and unquoted companies, none of which are deemed to have significant value at this present time:

Addworth plc – *general investment holding company*;
Chalkwell Investments plc, *formerly The Core Business plc;*
Goliath Resources Inc – *Pink Sheets OTC ticker – GHRI;*
Treslow Limited – *a copper-nickel prospect near Armstrong in North West Ontario, Canada;*
Woburn Energy plc *(formerly Black Rock Oil & Gas plc) - AIM ticker: WBN www.woburnenergy.com*

BOARD OF DIRECTORS

R Bruce Rowan
– Chairman and Chief Executive

Bruce Rowan, who has managed the Company's operations since January 2002, is well known in London as an investor in small mineral exploration start-up ventures. In addition to his chairmanship of the Company, he is chairman of AIM quoted Tiger Resource Finance plc, of Australian ASX quoted Sunvest Corporation Limited and is a non-executive director of PLUS quoted Gledhow Investments plc.

Anthony C R Scutt
– Non-executive Director

Tony is an experienced private investor and investment analyst as well as a director of investee companies Agricola Resources plc, Beowulf Mining plc, and Oracle Coalfields plc.

John Watkins, FCA
– Finance Director and Company Secretary

John is a chartered accountant in public practice and a non-executive director of other companies including AIM quoted investee companies Greatland Gold plc, Red Rock Resources plc and Regency Mines plc and chairman of PLUS quoted Lisungwe plc and Equity Resources plc.

DIRECTORS' REPORT

The Directors present their tenth annual report on the affairs of the Company, together with the financial statements for the year ended 30 September 2010.

Principal activities and business review

For the past eight years since Bruce Rowan was appointed Chief Executive on 31 January 2002, the Company's principal trading activity has been the use of his expertise to identify and, where appropriate, support small company new issues, pre IPO and ongoing fundraising opportunities with a view to realising profit from disposals as the businesses mature in the medium term.

The Company's investment policy is stated on page 5 above.

The Company's key performance indicators and developments during the period are given in the Chairman's statement and in the trading portfolio review, all of which form part of the Directors' report.

Key risks and uncertainties

This business carries with it a high level of risk and uncertainty, although the rewards can be outstanding. Often there is a lack of liquidity in the Company's trading portfolio, most of which is, or in the case of pre IPO commitments is expected to be, quoted on AIM or PLUS, such that the Company may have difficulty in realising the full value in a forced sale. Accordingly, a commitment is only made after thorough research into both the management and the business of the target, both of which are closely monitored thereafter. Furthermore, the Company limits the amount of each commitment, both as to the absolute amount and percentage of the target company. Details of other financial risks and their management are given in Note 18 to the financial statements.

Results and dividends

The Company's results are set out in the profit and loss account on page 20. The audited financial statements for the year ended 30 September 2010 are set out on pages 20 to 32.

The Directors do not recommend payment of a dividend (2009: NIL).

Directors

The Directors who served during the period are as follows:

Ronald Bruce Rowan

Anthony Charles Raby Scutt

John Watkins

Substantial shareholdings

At the close of business on 30 September 2010, the following were registered as being interested in 3% or more of the Company's ordinary share capital:

	Ordinary shares of £0.01 each	Percentage of issued share capital
Ronald Bruce Rowan	10,170,000	26.07%
Barclayshare Nominees Limited	5,484,971	14.06%
LR Nominees Limited	1,536,260	3.94%

Share capital

During the year, two directors exercised share options as set out in Note 12 to the financial statements; 1,800,000 new shares were issued raising £92,000 of new money for the Company. Otherwise, there were no share issues during the year.

In accordance with the authority to purchase up to 5,600,000 Ordinary shares renewed at the 2009 annual general meeting, the Company holds 2,300,000 of its own Ordinary shares in treasury. These purchases were made to enhance the underlying net asset value per share given the substantial discount at which shares were traded at the time. The Directors will place a further resolution before Shareholders at the forthcoming annual general meeting so as to give themselves the opportunity to make further purchases should circumstances be favourable.

Charitable and political donations

During the year there were no charitable or political contributions.

Payment of suppliers

The Company's policy is to settle terms of payment with suppliers when agreeing terms of business, to ensure that suppliers are aware of the terms of payment and to abide by them. It is usual for suppliers to be paid within 14 days of receipt of invoice. At 30 September 2010, the Company's trade creditors were equal to costs incurred in 14 days (2009: 5 days).

Post balance sheet events

Apart from the sale of investments as disclosed in Note 19, there are no reportable post balance sheet events.

Transition to International Financial Reporting Standards (IFRS)

The directors understand that the requirement to prepare financial statements in accordance with IFRS currently only applies to groups. As the Company is not part of a group it will continue to take advantage of the exemption available to AIM companies which do not prepare consolidated accounts and so defer the transition for as long as the exemption remains available.

Auditor

The Directors will place a resolution before the annual general meeting to reappoint Grant Thornton UK LLP as auditor for the coming year in accordance with the Companies Act 2006.

Remuneration

The remuneration of the Directors has been fixed by the Board as a whole. The Board seeks to provide appropriate reward for the skill and time commitment required so as to retain the right calibre of director without paying more than is necessary.

Details of Directors' fees and of payments made for professional services rendered are set out in Note 5 to the financial statements.

Management incentives

Other than options issued in accordance with the 2002 and 2005 share option schemes, see Note 12 to the financial statements, the Group has no bonus, share purchase, share option or other management incentive scheme. Options over 1,800,000 shares were exercised during the year as set out in Note 12.

As required by legislation, the Company has introduced a stakeholders' pension plan for the benefit of any future employees.

Going concern

The company's day to day financing is via a bank overdraft and, on occasion, by the use of short term loans. The company's formal overdraft facility was last confirmed by the bank in early 2010.

Whilst the Directors fully expect a sufficient overdraft facility to remain in place for the foreseeable future, they are confident that sufficient funding can be raised as required to meet the company's current and future liabilities. In the very unlikely event that such finance could not be raised, the Directors could raise sufficient funds by disposal of certain of its current asset trade investments, although such a 'forced' sale is to be avoided if at all possible.

For the reasons outlined above, the Directors are satisfied that the company will be able to meet its current and future liabilities, and continue trading, for the foreseeable future and, in any event, for a period of not less than twelve months from the date of approving the financial statements. The preparation of the financial statements on a going concern basis is therefore considered to remain appropriate.

Control procedures

The Board has approved financial budgets and cash forecasts; in addition, it has implemented procedures to ensure compliance with accounting standards and effective reporting.

By order of the Board

John Watkins
Finance Director and Company Secretary,

27 October 2010

STATEMENT OF DIRECTORS' RESPONSIBILITIES

Directors' responsibilities for the financial statements

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the Directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF STARVEST PLC

We have audited the financial statements of Starvest plc for the year ended 30 September 2010 which comprise the profit and loss account, the balance sheet, the cash flow statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/UKNP.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2010 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Paul Creasey
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Slough
27 October 2010

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Note	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Operating income		640,044	-
Direct costs		(237,713)	-
Gross profit		402,331	-
Administrative expenses		(182,760)	(189,398)
Amounts (written off)/written back to trade investments	8	(257,953)	295,884
Operating (loss)/profit		(38,382)	106,486
Interest receivable		8,083	29,933
Interest payable		(18,063)	(91,727)
(Loss)/profit on ordinary activities before taxation	2	(48,362)	44,692
Tax on (loss)/profit on ordinary activities	3	9,385	(8,600)
(Loss)/profit on ordinary activities after taxation		(38,977)	36,092
(Loss)/earnings per share – basic	6	(0.1) pence	0.1 pence
(Loss)/earnings per share – fully diluted	6	(0.1) pence	0.1 pence

There are no recognised gains and losses in either year other than the loss for the year.

All operations are continuing.

The accompanying accounting policies and notes form an integral part of these financial statements.

BALANCE SHEET
AS AT 30 SEPTEMBER 2010

	Note	30 September 2010	30 September 2009
		£	£
Current assets			
Debtors	7	33,514	34,720
Trade investments	8	2,795,770	3,215,671
		2,829,284	3,250,391
Creditors – amounts falling due within one year	10	(377,639)	(851,769)
Net current assets		2,451,645	2,398,622
Share capital and reserves			
Called-up share capital	11	390,173	372,173
Share premium account	13	2,100,396	2,026,396
Profit and loss account	13	(38,924)	53
Equity shareholders' funds	14	2,451,645	2,398,622

The financial statements on pages 20 to 32 were approved and authorised for issue by the Board of Directors on 27 October 2010 and signed on its behalf by:

R Bruce Rowan
Chairman and Chief Executive

John Watkins
Finance Director

The accompanying accounting policies and notes form an integral part of these financial statements.

CASH FLOW STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2010

	Note	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Net cash inflow/(outflow) from operating activities	15	333,851	(244,420)
Returns on investment and servicing of finance:			
Interest receivable		8,083	29,933
Interest payable		(18,063)	(91,727)
		(9,980)	(61,794)
Taxation (paid)/recovered		(9,490)	1,118,401
Financing:			
Issue of new shares		92,000	-
Loan advanced		-	100,000
Short term loan repaid		(100,000)	(1,000,000)
		(8,000)	(900,000)
Increase/(decrease) in cash in the year	16	306,381	(87,813)

The accompanying notes and accounting policies form an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 SEPTEMBER 2009

1 Statement of accounting policies

The Directors have reviewed the principal accounting policies summarised below and consider them to be the most appropriate for the Company. They have all been applied consistently throughout the year and the previous year.

Basis of accounting

The accounts have been prepared under the historical cost convention and in accordance with applicable United Kingdom accounting standards.

Operating income

Operating income represents amounts receivable for trade investment sales. Operating income is recognised on the date of sale contract.

Direct costs

Direct costs include the book cost of investments sold during the year.

Administrative expenses

All administrative expenses are stated inclusive of VAT, where applicable, as the company is not eligible to reclaim VAT incurred on its costs.

Investments

Current asset trade investments are stated at the lower of cost and recoverable amount. Recoverable amount is the lower of bid price and Directors' valuation. The lower Directors' valuation is applied where the Company's interest in the investee company amounts to 7% or more of the investee company's issued share capital or more than 7% of the investment portfolio or where there are factors of which the Directors are aware which call for some further adjustment.

Where the recoverable amount falls below cost the investment is written down accordingly with the decline in value (and any subsequent reversals) being included in operating profit.

Increases in value are not recognised in the carrying amount (save for reversals of amounts previously written off as noted above) and are only recognised in the profit and loss account when they are realised by a disposal.

Going concern

The company's day to day financing is via a bank overdraft and, on occasion, by the use of short term loans. The company's formal overdraft facility was last confirmed by the bank in early 2010.

Whilst the Directors fully expect a sufficient overdraft facility to remain in place for the foreseeable future, they are confident that sufficient funding can be raised as required to meet the company's current and future liabilities. In the very unlikely event that such finance could not be raised, the Directors could raise sufficient funds by disposal of certain of its current asset trade investments, although such a 'forced' sale is to be avoided if at all possible.

For the reasons outlined above, the Directors are satisfied that the company will be able to meet its current and future liabilities, and continue trading, for the foreseeable future and, in any event, for a period of not less than twelve months from the date of approving the financial statements. The preparation of the financial statements on a going concern basis is therefore considered to remain appropriate.

Taxation

Corporation tax payable is provided on taxable profits at the current rates enacted or substantially enacted at the balance sheet date.

Deferred tax

Deferred tax is provided on an undiscounted full provision basis on all timing differences which have arisen but not reversed at the balance sheet date using rates of tax enacted or substantively enacted at the balance sheet date.

Options

No charge to profit is made in respect of the options over the Company's shares held by Directors as all of the options had fully vested prior to 1 October 2006, the effective date of Financial Reporting Standard 20, 'Share Based Payments'.

Treasury shares

Where the Company acquired its own shares ('treasury shares') these are deducted from retained profits. No profit or loss is recognised on purchase or subsequent sale of treasury shares.

2 (LOSS)/PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
(Loss)/profit on ordinary activities before taxation is stated after charging:		
Auditor's remuneration – audit	**13,000**	17,056
Auditor's remuneration - non-audit services	**17,950**	21,312
Directors' emoluments	**90,000**	95,000

Auditor's remuneration for non-audit services provided during the year comprises nominated advisor fees of £17,625 and tax compliance service fees of £3,466, both stated inclusive of VAT at the prevailing rate (2009: nominated advisor fees of £17,344 and tax compliance fees of £3,968 both stated inclusive of VAT at the prevailing rate).

3 TAXATION

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Current year taxation		
UK corporation tax at 21% (2009: 21%) on (loss)/profit for the year	**(9,490)**	9,385
Adjustments in respect of prior years	**105**	(785)
Total current tax (credit)/charge for the year	**(9,385)**	8,600
The tax assessed is lower than the standard rate of corporation tax in the UK at 21% (2009: 21%). The differences are explained below:		
(Loss)/profit on ordinary activities before taxation	**(48,362)**	44,692
(Loss)/profit on ordinary activities at 21% (2009: 21%)	**(10,156)**	9,385

Effect of:		
Expenses not deductible for tax purposes	**111**	-
Adjustments in respect of prior years	**105**	(785)
Losses carried forward	**555**	-
Current tax (credit)/charge for the year	**(9,385)**	8,600

4 STAFF COSTS

The Company had no employees during the year or the previous year; the two executive Directors provide professional services as required on a part time basis.

5 DIRECTORS' EMOLUMENTS:

Year ended 30 September 2010

	Fees	Amounts paid to third parties - see note	Bonus	Total
	£	£	£	£
R B Rowan	**-**	48,000	-	**48,000**
A C R Scutt	**12,000**	-	-	**12,000**
J Watkins	**12,000**	18,000	-	**30,000**
	24,000	66,000	-	**90,000**
Year ended 30 September 2009				
R B Rowan	-	36,000	12,000	48,000
A C R Scutt	12,000	-	1,250	13,250
J Watkins	9,000	21,000	3,750	33,750
	21,000	57,000	17,000	95,000

Amounts paid to third parties

Included in the above are the following amounts paid to third parties:

- In respect of the management services of Bruce Rowan, £48,000 (2009: £48,000) is payable to Sunvest Corporation Limited, a company of which he is a director and shareholder of which £12,000 relates to the provision of an office (2009: £NIL). At 30 September 2010, the sum of £9,000 was outstanding.
- In respect of the professional services of John Watkins, FCA, £18,000 + VAT (2009: £21,000 + VAT) of the above remuneration was paid through his business. At 30 September 2010, the sum of £1,500 + VAT was outstanding.

Pensions

No pension benefits are provided for any Director.

Directors' share options

Aggregate emoluments disclosed above do not include any amounts for the value of options to acquire Ordinary shares in the company granted to or held by the directors. No gains were made from the exercise of share options.

Details of share options held and exercised during the year by the directors are set out in Note 12.

6 (Loss)/earnings per share

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
The basic (loss)/earnings per share is derived by dividing the (loss)/profit for the year attributable to ordinary shareholders by the weighted average number of shares in issue.		
(Loss)/profit for the year	**(38,977)**	36,092
Weighted average number of Ordinary shares of £0.01 in issue	**35,193,423**	34,917,259
(Loss)/earnings per share – basic	**(0.11) pence**	0.1 pence
Weighted average number of Ordinary shares of £0.01 in issue inclusive of outstanding options	**40,492,259**	40,492,259
(Loss)/earnings per share – fully diluted	**(0.11) pence**	0.1 pence

In view of the loss for the year, share options in issue have no dilutive effect.

7 Debtors

	30 September 2010 £	30 September 2009 £
Other debtors	**1,403**	9,506
Prepayments	**22,621**	25,214
Taxation recoverable	**9,490**	-
	33,514	34,720

8 Current trade investments, at the lower of cost, market value or directors' valuation

	30 September 2010 £	30 September 2009 £
Cost		
At 30 September 2009	**6,251,300**	6,447,252
Additions at cost	**66,327**	64,550
Disposals	**(228,275)**	-
Amounts written off	**-**	(260,502)
At 30 September 2010	**6,089,352**	6,251,300
Provisions		
At 30 September 2009	**3,035,629**	3,592,015
Released during the year	**(288,109)**	(801,457)
Provided during the year	**546,062**	505,573
Amounts written off	**-**	(260,502)
At 30 September 2010	**3,293,582**	3,035,629
Net book amount		
At 30 September 2010	**2,795,770**	3,215,671
At 30 September 2009	**3,215,671**	2,855,237
The net book carrying values of the investments above were as follows:		
Quoted on AIM	**1,939,928**	1,874,260
Quoted on PLUS	**675,124**	897,305
Quoted on foreign stock exchanges	**180,718**	218,106
Unquoted trade investments	**-**	226,000
	2,795,770	3,215,671
The market value or directors' lower valuation of the trading portfolio was:		
Quoted on AIM	**3,049,032**	2,492,154
Quoted on PLUS	**1,085,349**	1,409,146
Quoted on foreign stock exchanges	**432,836**	591,722
Unquoted trade investments	**-**	226,000
	4,567,217	4,719,022

9 TRADE INVESTMENTS

The Company has holdings in the companies described in the review of portfolio on pages 6 to 14.

Of these, the Company has holdings amounting to 20% or more of the issued share capital of the following companies:

Name	Country of incorporation	Class of shares held	Percentage of issued capital	Profit/(loss) for the last financial year	Capital and reserves at last balance sheet date	Accounting year end
Equity Resources plc, – see note 1	England & Wales	Ordinary	29.7%	£66,650	£46,126	31 May 2010
Fundy Minerals Limited – see note 2	Canada	Common	20.58%	(C$703,042)	C$2,407,131	31 Jan 2010
Lotus Resources plc – see note 2	England & Wales	Ordinary	21.61%	£(425,489)	£188,223	30 Sept 2009
Sheba Exploration (UK) plc – see note 2	England & Wales	Ordinary	20.22%	£(97,149)	£193,591	28 Feb 2010
Treslow Limited – see note 3	England & Wales	Ordinary	30.1%	Not available	Not available	31 Mar 2010

Note 1: Equity Resources plc is considered to be an associated undertaking. Equity accounting has not been used as the Company does not prepare consolidated accounts.

Note 2: The investment is at arm's length; the Company takes no part in the management of Fundy Minerals Limited, Lotus Resources plc nor Sheba Exploration (UK) plc, nor does it exert significant influence over these companies so they are not considered to be associated undertakings despite the holdings being in excess of 20% of issued share capital.

Note 3: During 2008, the Company agreed to support Treslow Limited through its pre IPO processes; the required information is not available. The company does not exert significant influence over Treslow Limited and so it is not considered to be an associated undertaking despite the holding being in excess of 20% of issued share capital.

10 CREDITORS

	30 September 2010 £	30 September 2009 £
Amounts falling due within one year:		
Bank overdraft	**341,509**	647,890
Short term loan	**-**	100,000
Trade creditors	**3,525**	1,150
Corporation tax	**-**	9,385
Social security and other taxes	**673**	673
Accruals	**31,932**	92,671
	377,639	851,769

The bank overdraft is secured by a charge over certain of the Company's investments having a market value at the balance sheet date of £2.68m.

11 Share capital

The authorised share capital of the Company and the called up and fully paid amounts were as follows:

Authorised	Number	Nominal £
As at 30 September 2009 and 30 September 2010, Ordinary shares of £0.01 each	250,000,000	2,500,000
Called up, allotted, issued and fully paid		
As at 30 September 2009	37,217,259	372,173
Issued 5 August 2010	1,800,000	18,000
As at 30 September 2010	**39,017,259**	**390,173**

Shares held in treasury

	30 September 2010	30 September 2009
Total number of shares held in treasury	**2,300,000**	2,300,000

12 Share options

The Company has established share option schemes: on 27 June 2002 the 2002 share option scheme; and on 14 February 2005 the 2005 share option scheme. Options have been granted under both schemes to subscribe for ordinary shares. During the year ended 30 September 2010, no new options were granted; on 5 August 2010, options over 1,600,000 and 200,000 shares were exercised and shares with a par value of £0.01 were issued at £0.05 and £0.06 respectively.

	At 30 Sept 2009	Exercised during the year	At 30 Sept 2010 outstanding exercisable	Exercise price	Mid market price on date of exercise	Date from which exercisable	Expiry date
RB Rowan	1,400,000	(1,400,000)	-	5 pence	5 pence	27 June 2002	-
RB Rowan	200,000	(200,000)	-	6 pence	5 pence	18 Nov 2003	-
RB Rowan	1,750,000	-	1,750,000	15 pence	-	14 Feb 2005	31 Jan 2015
ACR Scutt	200,000	-	200,000	6 pence	-	18 Nov 2003	31 May 2012
ACR Scutt	350,000	-	350,000	15 pence	-	14 Feb 2005	31 Jan 2015
J Watkins	700,000	(200,000)	500,000	5 pence	5 pence	27 June 2002	31 May 2012
J Watkins	100,000	-	100,000	6 pence	-	18 Nov 2003	31 May 2012
J Watkins	875,000	-	875,000	15 pence	-	14 Feb 2005	31 Jan 2015
	5,575,000	(1,800,000)	3,775,000				

Note 1: The market value of the Company's shares at 30 September 2010 was 7.75p (2009: 11.75p) and the range during the year was 4.5 pence to 10.5 pence (2009: 12.50p to 5.50p), the average for the year being 7.5 pence (2009: 8.25p).

13 Reserves

The movements on reserves during the year were as follows:

	Share premium account £	Profit and loss account £
As at 30 September 2009	2,026,396	53
New share issue the year	74,000	-
Loss for the year	-	(38,977)
As at 30 September 2010	**2,100,396**	**(38,924)**

14 Movement on equity shareholders' funds

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
(Loss)/profit for the year	**(38,977)**	36,092
Shares issued	**92,000**	-
Net increase in shareholders' funds	**53,023**	36,092
Opening equity shareholders' funds	**2,398,622**	2,362,530
Closing equity shareholders' funds	**2,451,645**	2,398,622

15 Reconciliation of operating (loss)/profit to operating cash flows

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Operating (loss)/profit	**(38,382)**	106,486
Amounts written off/(back to) trade investments	**257,953**	(295,884)
Decrease/(increase) in debtors	**10,697**	(25,427)
(Decrease)/increase in creditors	**(58,364)**	34,955
Purchase of trade investments at cost	**(66,327)**	(64,550)
Profit on sale of investments	**(402,331)**	-
Proceeds on sale of investments	**630,605**	-
Net cash (outflow) from operating activities	**333,851**	(244,420)

16 Analysis and reconciliation of net debt

	30 September 2009 £	Cash flow £	**30 September 2010 £**
Overdraft	(647,890)	306,381	**(341,509)**
Short term loan	(100,000)	100,000	**-**
Net debt	(747,890)	406,381	**(341,509)**

	Year ended 30 September 2010 £	Year ended 30 September 2009 £
Increase/(decrease) in cash in the year	**306,381**	(87,813)
Repayment of short term loan	**-**	1,000,000
Short term loan	**100,000**	(100,000)
Movement in net debt in the year	**406,381**	812,187
Net debt at 1 October 2009	**(747,890)**	(1,560,077)
Net debt at 30 September 2010	**(341,509)**	(747,890)

17 Commitments

As at 30 September 2010 and 30 September 2009, the Company had no commitments other than for expenses incurred in the normal course of business.

18 Financial instruments

The Company uses financial instruments, comprising cash, bank overdraft, short term loan, trade investments and trade creditors, which arise directly from its operations. The main purpose of these instruments is to further the company's operations.

Short term debtors and creditors

Short term debtors and creditors have been excluded from all the following disclosures.

Trade investments

Trade investments are stated at cost less any provision for impairment. The difference between fair and book value is set out in Note 8. The Board meets quarterly to consider investment strategy in respect of the Company's portfolio.

Interest rate risk

The Company finances its operations through retained profits and new investment funds raised. The Board utilises short term floating rate interest bearing accounts to ensure adequate working capital is available whilst maximising returns on deposits.

Liquidity risk

The company seeks to manage financial risk, to ensure sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. More information about the company's liquidity risk, and the management of that risk, is given under 'going concern' in note 1 to the financial statements.

Borrowing facilities

As at 30 September 2010, the Company had an overdraft facility of £500,000 arranged with its bankers (2009: £720,000) secured on certain investments with a market value at 30 September 2009 of £2.7m.

Currency risk

The Company trades substantially within the United Kingdom and all transactions are denominated in Sterling. Consequently, the Company is not significantly exposed to currency risk.

Fair values

Except where shown above, the fair values of the Company's financial instruments are considered equal to the book value.

19 Post balance sheet event

Since 30 September 2010, the Company has sold investments to the value of £438,190.

20 Control

There is considered to be no controlling related party.

NOTICE OF ANNUAL GENERAL MEETING

STARVEST PLC

Notice is hereby given that the Annual General Meeting of Starvest plc (the "Company") will be held at St Ethelburga's, 78 Bishopsgate, London EC2N 4AG on 13 December 2010 at 3.00 pm for the purpose of considering and, if thought fit, passing the following resolutions which will be proposed as ordinary resolutions in the cases of resolutions 1 to 4 and 6 and as a special resolution in the case of resolution 5.

ORDINARY BUSINESS

1 To receive the report of the Directors and the audited financial statements of the Company for the year ended 30 September 2010.

2 To re-elect Ronald Bruce Rowan as a Director of the Company, who retires by rotation under the Articles of Association of the Company and, being eligible, offers himself for re-election.

3 To re-appoint Grant Thornton UK LLP as auditors of the Company to act until the conclusion of the next Annual General Meeting and to authorise the Directors to determine the remuneration of the auditors.

4 That in substitution for all existing authorities under the following section to the extent unutilised, the Directors be generally and unconditionally authorised pursuant to Section 551 of the Companies Act 2006 (the "Act") to allot relevant securities (within the meaning of section 560) up to an aggregate nominal amount of £250,000. The authority referred to in this resolution shall be in substitution for all other existing authorities, and shall expire (unless previously renewed, varied or revoked by the Company in general meeting) at the earlier of the next Annual General Meeting of the Company and the date falling 15 months following the date of the Annual General Meeting being convened by this Notice. The Company may, at any time prior to the expiry of the authority, make an offer or agreement which would or might require relevant securities to be allotted after the expiry of the authority and the Directors are hereby authorised to allot relevant securities in pursuance of such offer or agreement as if the authority had not expired.

SPECIAL RESOLUTION

5 That in substitution for all existing authorities to the extent unutilised, the Directors, pursuant to Section 570 of the Act, be empowered to allot equity securities (within the meaning of Section 560 of the Act) for cash pursuant to the authority conferred by Resolution 4 as if Section 561(1) of the Act did not apply to any such allotment provided that this power shall be limited to:

(a) the allotment of equity securities where such securities have been offered (whether by way of a rights issue, open offer or otherwise) to the holders of ordinary shares in the capital of the Company in proportion (as nearly as may be) to their holdings of such ordinary shares but subject to such exclusions or other arrangements as the Directors may deem necessary or expedient to deal with equity securities representing fractional entitlements and with legal or practical problems under the laws of, or the requirements of, any regulatory body or any stock exchange in, any territory; and

(b) the allotment, other than pursuant to (a) above, of equity securities:

(i) arising from the exercise of options and warrants outstanding at the date of this resolution;

(ii) other than pursuant to (i) above, up to an aggregate nominal value of £250,000,

and this power shall, unless previously revoked or varied by special resolution of the Company in general meeting, expire at the earlier of the conclusion of the next Annual General Meeting of the Company and the date falling 15 months following the date of the Annual General Meeting being convened by this Notice. The Company may, before such expiry, make offers or agreements which would or might require equity securities to be allotted after such expiry and the Directors are hereby empowered to allot equity securities in pursuance of such offers or agreements as if the power conferred hereby had not expired.

SPECIAL BUSINESS

Ordinary resolution

6 That the Company be unconditionally and generally authorised to make market purchases (as defined by the Companies Act 2006 Section 701(1)) of Ordinary shares of £0.01 each in its capital, provided that:

(a) the maximum number of shares that may be so acquired is 5,850,000, being a number that approximates to 15% of the issued ordinary share capital of the Company at the date of the meeting;

(b) the minimum price that may be paid for the shares is £0.01 per share, being the nominal value per share;

(c) the maximum price that may be so paid is an amount equal or 5% higher than the average of the middle market quotations per share as derived from the Daily List of the AIM market of the London Stock Exchange for the five business days immediately preceding the day on which the shares are purchased; and

the authority conferred by this resolution shall expire on the date falling eighteen months from the date of passing of this resolution but not so as to prejudice the completion of a purchase contracted before that date.

If you are a registered holder of Ordinary Shares in the Company, whether or not you are able to attend the meeting, you may use the enclosed form of proxy to appoint one or more persons to attend and vote on a poll on your behalf. A proxy need not be a member of the Company.

A form of proxy is provided.

This may be sent by facsimile transfer to 01252 719 232 or by mail using the reply paid card to:

The Company Secretary, Starvest plc
c/o Share Registrars Limited
Suite E, First Floor, 9 Lion and Lamb Yard
Farnham, Surrey GU9 7LL

In either case, the signed proxy must be received no later than 48 hours (excluding non-business days) before the time of the meeting, or any adjournment thereof.

Registered Office:	***By order of the Board***
55 Gower Street	John Watkins
London	Company Secretary
WC1E 6HQ	

27 October 2010

Registered in England and Wales Number: 3981498

NOTES TO THE NOTICE OF GENERAL MEETING

ENTITLEMENT TO ATTEND AND VOTE

1 Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company specifies that only those members registered on the Company's register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting.

Appointment of proxies

2 If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3 A proxy does not need to be a member of the Company but must attend the Meeting to represent you. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the Meeting you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.

5 A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy using hard copy proxy form

6 The notes to the proxy form explain how to direct your proxy how to vote on each resolution or withhold their vote.

To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232; and
- received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy by joint members

7 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

Changing proxy instructions

8 To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

9 In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL or by facsimile transmission to 01252 719 232. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

10 As at 27 October 2010, the Company's issued share capital comprised 39,017,259 ordinary shares of £0.01 each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 27 October 2010 is 39,017,259.

Communications with the Company

11 Except as provided above, members who have general queries about the Meeting should telephone John Watkins on 01483 771992 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

CREST

12 CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the General Meeting and any adjournment(s) thereof by using the procedures described in the CREST Manual.

CREST Personal Members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s) should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications and must contain the information required for such instructions, as described in the CREST Manual (available via euroclear.com/CREST).

The message, regardless of whether it relates to the appointment of a proxy or to an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the issuer's agent (ID: 7RA36) by the latest time(s) for receipt of proxy appointments specified above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the issuer's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of CREST by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat as invalid a CREST Proxy Instruction in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

NOTES TO THE PROXY FORM

1 As a member of the Company you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at a general meeting of the Company. You can only appoint a proxy using the procedures set out in these notes.

2 Appointment of a proxy does not preclude you from attending the meeting and voting in person. If you have appointed a proxy and attend the meeting in person, your proxy appointment will automatically be terminated.

3 A proxy does not need to be a member of the Company but must attend the meeting to represent you. To appoint as your proxy a person other than the Chairman of the meeting, insert their full name in the box. If you sign and return this proxy form with no name inserted in the box, the Chairman of the meeting will be deemed to be your proxy. Where you appoint as your proxy someone other than the Chairman, you are responsible for ensuring that they attend the meeting and are aware of your voting intentions.

4 You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy please contact the registrars of the Company, Share Registrars Limited, on 01252 821 390.

5 To direct your proxy how to vote on the resolutions mark the appropriate box with an 'X'. To abstain from voting on a resolution, select the relevant "Vote withheld" box. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the meeting.

6 To appoint a proxy using this form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars Limited at Suite E, First Floor, 9 Lion and Lamb Yard, Farnham, Surrey GU9 7LL; and
- received by Share Registrars Limited no later than 48 hours (excluding non-business days) before the time of the meeting.

7 In the case of a member which is a company, this proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

8 Any power of attorney or any other authority under which this proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

9 In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

10 If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

11 For details of how to change your proxy instructions or revoke your proxy appointment see the notes to the notice of meeting.

12 You may not use any electronic address provided in this proxy form to communicate with the Company for any purposes other than those expressly stated.

AGM VENUE
St Ethelburga's
78 Bishopsgate
London EC2N 4AG

Directions to St Ethelburga's

The Centre is located within St Ethelburga's Church, on the east side of Bishopsgate between St Helen's Place and Clarke's Place, just south of Camomile Street.
(It is exactly opposite a very tall office block clearly marked no. 99 Bishopsgate.)

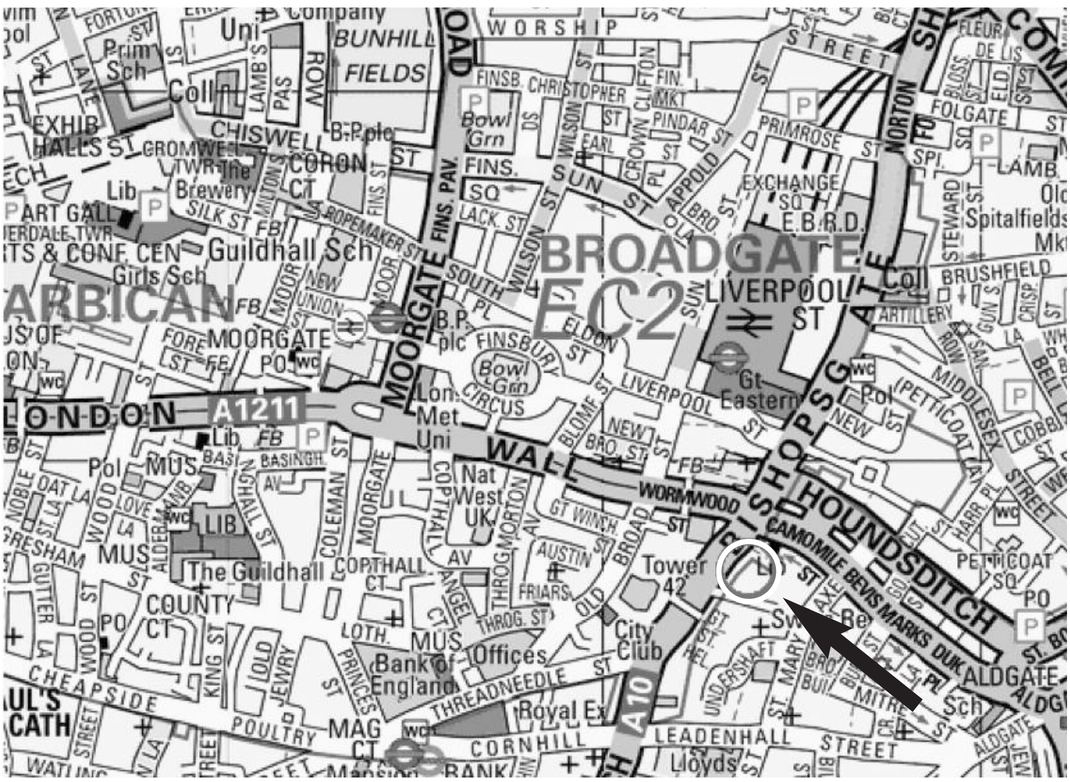
Entrance is by the passageway at the side of the church.

The nearest mainline/underground station is Liverpool Street (about 3 minutes walk). Exit the mainline Station onto Bishopsgate, turn right (south) and cross over the road. Continue past Hounsditch and Camomile Street and St Ethelburga's is a few yards further on, on the left.

Alternatively Bank or Monument Underground stations are both about 6/7 minutes walk. From Bank, take Threadneedle Street to Bishopsgate. Turn left into Bishopsgate and cross over the road. Pass under the foot-bridge and St Ethelburga's is a few yards up the road on the right. From Monument, take Gracechurch Street, which becomes Bishopsgate after you cross Leadenhall Street. Pass under the foot-bridge and St Ethelburga's is a few yards up the road on the right.

Bus route numbers 8, 26, 35, 47, 48, 149, 242, 344 and 388 stop outside the Centre.

The Centre has no car park and Bishopsgate is a red route.
The nearest NCP car park is in Stoney Lane, off Hounsditch.



STARVEST plc

www.starvest.co.uk